

Decision 01-11-033

November 8, 2001

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Gas
Company (U 904 G) Under the
Catastrophic Event Memorandum
Account (CEMA) for the Recovery of
Costs Related to the El Nino Storms.

Application 99-03-049
(Filed March 19, 1999)

**ORDER MODIFYING DECISION (D.)01-02-075 FOR PURPOSES OF
CLARIFICATION AND CORRECTION OF A TYPOGRAPHICAL ERROR,
AND DENYING REHEARING, AS MODIFIED**

I. SUMMARY

On March 28, 2001 Southern California Gas Company (Scalars) applied for a rehearing of Decision (D.) 01-02-075. In D.01-02-075, we denied the Joint Motion of SoCalGas and the Office of Ratepayer Advocates (ORA) for approval of the stipulation entered into by the two parties. The stipulation dealt with SoCalGas' recovery of certain costs attributed to the 1998 El Nino-driven storms, through the Catastrophic Event Memorandum Account (CEMA).

During the proceeding, we narrowed its inquiry to focus on the damage caused to several pipelines in Ventura County. We were specifically concerned with costs associated to Work Order 94377 (Lines 1011 and 404). It found that SoCalGas had prior knowledge of the instability of the soil upon which Lines 1011 and 404 were located, and of the risks to landslides that these lines faced during rainy weather. Moreover, we found that there was no evidence that these lines suffered any damage

during the 1998 winter storms.¹ Based on this, we excluded costs tracked in the CEMA with regards to Work Order 94377 from future consideration.

SoCalGas timely filed an application for rehearing, and claims that we factually erred in our determination to exclude the costs recorded in Work Order 94377. Further, SoCalGas also requests that at a minimum clarify that the future carrying costs of the capital costs recorded in Work Order 94377 be recoverable in its next base margin proceeding.

We have reviewed each and every allegation of error raised in the application for rehearing, and are of the opinion that the SoCalGas' application for rehearing of D.01-02-075 should be denied. We also denied SoCalGas' request for clarification. However, in considering the rehearing application, we note that there is a need to modify D.01-02-075 for purposes of correcting a typo and to make clear that SoCalGas cannot recover certain costs in a future rate case.

II. DISCUSSION

SoCalGas claims that the Commission made numerous, material factual errors in its decision, which thereby affected the result reached by the Commission. It claims that if not for these errors its request to recover costs recorded in Work Order 94377 would have been granted. In addition, SoCalGas claims that it should be able to recover costs, if not through the CEMA, then in its next base margin proceeding.

A. There are no material factual errors, and thus, there is no legal error warranting the granting of the rehearing application.

SoCalGas points out that an error was made on the table on page 16 of the Decision. Instead of putting in pipeline 1011, pipeline 1001 was typed in. This was merely a typographic error and the Decision makes clear that it is referring to and making decisions regarding pipeline 1011. A typographical error does not constitute legal error.

¹ The Commission did find that the soil upon which these lines sat had become saturated and had moved; information SoCalGas had prior knowledge of.

SoCalGas also points out that in the remedy column the phrase “elevate the pipes” should be restated as “excavate to relieve stress” and “install additional support.” SoCalGas states that there is no reference to elevating the pipeline. This was an inadvertent omission in D.01-02-075, and the decision will be modified to clarify our determination that that the pipeline had to be elevated.² Therefore, we will modify the table on page 16 in D.01-075 so the decision will reflect the correct line number and the appropriate remedy.

SoCalGas also finds fault with the Commission’s characterization of work done as “low priority”. It states that the situation was one of “relatively low priority”, and that the word “relatively” carries great weight. Once again, it matters not whether the word “relatively” was used, as it is unrefuted that SoCalGas took a year to perform the necessary work, and is therefore not allowed to recover these costs through the CEMA.

The factual errors alleged by SoCalGas do not constitute legal error requiring a grant of rehearing. Thus, rehearing is denied with regard to the decision to disallow recovery of the costs recorded in Work Order 94377.

B. The Decision Is Unambiguous As To What Costs Can And Cannot Be Recovered, And Thus Needs No Clarification.

As laid out in the decision, in great detail and with ample support, it is abundantly clear that the costs recorded in Work Order 94377 should not be recovered through the CEMA. In lieu of finding these costs recoverable through the CEMA, SoCalGas requests that the Commission clarify whether it can then recover these costs through its next base margin proceeding. The decision quite clearly states that costs recorded in Work Order 94377 should not be recovered in any proceeding. (D.01-02-075, mimeo, p. 33) No clarification is needed. SoCalGas had the chance to request monies for such costs when it presented the Commission with its revenue requirement. It

² The Commission also inadvertently plugged in the incorrect amount for actual incremental capital cost recorded in Work Order 94377. The table on page 16 will be modified to reflect the appropriate amount.

did not do so, and because the Commission found that the above costs are not recoverable through the CEMA, they cannot be recovered at all. It is the responsibility of SoCalGas to properly forecast its future expenses.³

III. CONCLUSION

Therefore, rehearing is denied.

IT IS ORDERED that:

1. D.01-02-075, the table on page. 16, is modified as follows: for Work Order 94377, Line 1001 will be change to Line 1011; the remedy portion will read “Excavate to relieve stress and install additional support;” and the amount in the cost column will be changed from 110K to 36K.

2. SoCalGas’s application for rehearing of D.01-02-075, as modified, is denied.

3. This order is effective today.

Dated November 8, 2001, at San Francisco, California.

LORETTA M. LYNCH
President
RICHARD A. BILAS
CARL W. WOOD
GEOFFREY F. BROWN
Commissioners

Commissioner Henry M. Duque, being
necessarily absent, did not participate.

³ This decision does not disallow all costs billed to the CEMA. Moreover, the Commission, in a future cost-of-service proceeding, will give SoCalGas an opportunity to seek recovery of costs not specifically denied in this decision. (D.01-02-075, mimeo, p. 31)